

Message Text

LIMITED OFFICIAL USE

PAGE 01 QUITO 01004 131628Z

60

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 FEA-02 INT-08 L-03 CIAE-00 INR-10 NSAE-00

PA-04 USIA-15 PRS-01 DRC-01 /140 W

----- 017392

R 131600Z FEB 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 9996

LIMITED OFFICIAL USE QUITO 1004

PASS COMMERCE

E.O. 11652: GDS

TAGS: ENRG, BEXP, EC

SUBJECT: PETROLEUM REFINERY

REF: QUITO 0609 QUITO 0902

1. THE CONTRACT FOR THE REFINERY MAY NOT BE SIGNED. CEPE OFFICIAL CONFIRMED TO EMBOFF THAT THE SUMITOMO-CHIYODA CONSORTIUM AND CEPE ARE EXPERIENCING REAL DIFFICULTIES IN NEGOTIATING THE REFINERY CONTRACT. HE SAID THE JAPANESE DON'T WANT TO BE PAID IN YEN, SUCRES, OR DOLLARS. THE IMPLICATION IS THAT THE JAPANESE WANT CRUDE OIL. CEPE OFFICIAL ALSO SAID THAT THE JAPANESE ARE AFRAID THAT THE CONTRACT MAY BE DISADVANTAGEOUS TO THEM. THE JAPANESE CLAIM COSTS ARE UP; THAT IT WILL COST THEM \$20 (500 SUCRES) PER SQUARE METER FOR THE CONSTRUCTION OF THE WORKERS' HOUSING, FOR INSTANCE.

2. CEPE RECOGNIZES POSSIBILITY THAT THE JAPANESE ARE USING THE FACT THAT THEIR OFFER IS ABOUT TO EXPIRE AS LEVERAGE IN THEIR NEGOTIATIONS AND MAY YET SIGN. CEPE OFFICIAL IS PESSIMISTIC, HOWEVER. HE POINTED OUT THAT EVEN IF THE JAPANESE DO SIGN THE CONTRACT, CEPE MAY STILL BE IN TROUBLE. HE REFERRED TO THE CHAUCHA
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COPPER MINE AS AN EXAMPLE. THE JAPANESE, IN THIS CASE, SIGNED A

CONTRACT AND THEN FAILED TO FOLLOW THROUGH.
BREWSTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM REFINING, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO01004
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740235/aaaabhbj.tel
Line Count: 63
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: QUITO 0609 QUITO 0902
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 SEP 2002 by boyleja>; APPROVED <18-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM REFINERY
TAGS: ENRG, BEXP, EC, CEPE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005